

*Financial Statements and
Other Information*

**PRENATAL AND INFANT HEALTH CARE
COALITION OF BREVARD COUNTY, INC.
d/b/a Healthy Start Coalition of Brevard County, Inc.**

June 30, 2021 and 2020

**PRENATAL AND INFANT HEALTH CARE
COALITION OF BREVARD COUNTY, INC.
d/b/a Healthy Start Coalition of Brevard County, Inc.**

Financial Statements and Other Information

June 30, 2021 and 2020

(With Independent Auditor's Report Thereon)

PRENATAL AND INFANT HEALTH CARE
COALITION OF BREVARD COUNTY, INC.
d/b/a Healthy Start Coalition of Brevard County, Inc.

Financial Statements and Other Information

June 30, 2021 and 2020

Table of Contents

Independent Auditor’s Report	1
Audited Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses – June 30, 2021	5
Statement of Functional Expenses – June 30, 2020	6
Statements of Cash Flows	7
Notes to Financial Statements	8
Other Information:	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17

SCHAFFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

Certified Public Accountants

Michael R. Schafer, CPA
Thomas R. Tschopp, CPA
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 312
Maitland, Florida 32751
(407) 839-3330

Joseph P. Mitchell, CPA
Stephen J. Sheridan, CPA
Daniel M. Hinson, CPA

Independent Auditor's Report

The Board of Directors
Prenatal and Infant Health Care
Coalition of Brevard County, Inc.
d/b/a Healthy Start Coalition of Brevard County, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Prenatal and Infant Health Care Coalition of Brevard County, Inc. d/b/a Healthy Start Coalition of Brevard County, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in

the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Prenatal and Infant Health Care Coalition of Brevard County, Inc. d/b/a Healthy Start Coalition of Brevard County, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Adjustment

As more fully discussed in Note 8 to the financial statements, management determined that the balance of accounts payable was misstated as previously reported in the 2020 statement of financial position. Accordingly, an adjustment has been made to net assets as of June 30, 2020 to correct this error.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 24, 2021 on our consideration of the Prenatal and Infant Health Care Coalition of Brevard County, Inc. d/b/a Healthy Start Coalition of Brevard County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Prenatal and Infant Health Care Coalition of Brevard County, Inc. d/b/a Healthy Start Coalition of Brevard County, Inc.'s internal control over financial reporting and compliance.

Schaefer, Tschoff, Whitcomb, Mitchell & Shuilen, LLP

September 24, 2021
Maitland, Florida

PRENATAL AND INFANT HEALTH CARE
 COALITION OF BREVARD COUNTY, INC.
 d/b/a Healthy Start Coalition of Brevard County, Inc.

Statements of Financial Position

June 30, 2021 and 2020

Assets

	<u>2021</u>	<u>2020</u> <u>(Restated)</u>
Current assets:		
Cash and cash equivalents	\$ 1,361,254	1,203,264
Contracts receivable (note 3)	297,557	274,398
Prepaid expenses	13,436	6,923
Total current assets	<u>1,672,247</u>	<u>1,484,585</u>
Property and equipment - net (note 4)	77,982	80,176
Other assets (note 5)	<u>115,417</u>	<u>118,318</u>
Total assets	<u><u>\$ 1,865,646</u></u>	<u><u>1,683,079</u></u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable	\$ 188,575	186,835
Accrued expenses	29,692	41,880
Deferred revenue (note 6)	60,590	-
Total current liabilities	<u>278,857</u>	<u>228,715</u>
Commitments and contingencies (notes 7 and 9)		
Net assets without donor restrictions:		
Undesignated, available for general activities	1,348,978	1,216,597
Board designated reserve	<u>237,811</u>	<u>237,767</u>
Total net assets	<u>1,586,789</u>	<u>1,454,364</u>
Total liabilities and net assets	<u><u>\$ 1,865,646</u></u>	<u><u>1,683,079</u></u>

See accompanying notes to financial statements.

PRENATAL AND INFANT HEALTH CARE
 COALITION OF BREVARD COUNTY, INC.
 d/b/a Healthy Start Coalition of Brevard County, Inc.

Statements of Activities

Years ended June 30, 2021 and 2020

	2021	2020 (Restated)
Net assets without donor restrictions		
Revenues, gains and other support:		
Grants and contracts	\$ 1,486,453	1,385,484
Contributions	9,231	39,914
Special events	-	6,115
Interest	2,014	2,305
Total revenues, gains and other support	1,497,698	1,433,818
Expenses:		
Program expenses	1,079,247	1,095,709
Management and general	285,409	284,632
Fundraising	617	957
Total expenses	1,365,273	1,381,298
Change in net assets	132,425	52,520
Net assets, beginning of year	1,454,364	1,401,844
Net assets, end of year	\$ 1,586,789	1,454,364

See accompanying notes to financial statements.

PRENATAL AND INFANT HEALTH CARE
 COALITION OF BREVARD COUNTY, INC.
 d/b/a Healthy Start Coalition of Brevard County, Inc.

Statement of Functional Expenses

Year ended June 30, 2021

	Client Care Services	Management and General	Fundraising	Total Expenses
Salaries and related expenses:				
Salaries	\$ 158,572	185,359	-	343,931
Employee benefits	16,993	18,919	-	35,912
Taxes and workers' compensation	11,942	13,342	-	25,284
	<u>187,507</u>	<u>217,620</u>	<u>-</u>	<u>405,127</u>
Other expenses:				
Contracted services	808,728	-	-	808,728
Occupancy	10	4,710	-	4,720
Educational materials	29,301	3,996	-	33,297
Office expenses	9,974	11,654	-	21,628
Professional services	-	26,784	-	26,784
Supplies and other costs	6	1,630	617	2,253
Utilities and insurance	4,504	7,848	-	12,352
Community education and services	21,973	-	-	21,973
Equipment and maintenance	1,180	1,379	-	2,559
Postage and printing	3,390	1,010	-	4,400
Travel and training	493	841	-	1,334
Dues and subscriptions	3,009	5,743	-	8,752
BSMF expenses	9,172	-	-	9,172
	<u>891,740</u>	<u>65,595</u>	<u>617</u>	<u>957,952</u>
Total expenses before depreciation	1,079,247	283,215	617	1,363,079
Depreciation	-	2,194	-	2,194
Total expenses	<u>\$ 1,079,247</u>	<u>\$ 285,409</u>	<u>617</u>	<u>1,365,273</u>

See accompanying notes to financial statements.

PRENATAL AND INFANT HEALTH CARE
 COALITION OF BREVARD COUNTY, INC.
 d/b/a Healthy Start Coalition of Brevard County, Inc.

Statement of Functional Expenses

Year ended June 30, 2020 (Restated)

	<u>Client Care Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries and related expenses:				
Salaries	\$ 135,299	158,154	-	293,453
Employee benefits	10,773	11,994	-	22,767
Taxes and workers' compensation	10,533	11,768	-	22,301
	<u>156,605</u>	<u>181,916</u>	<u>-</u>	<u>338,521</u>
Other expenses:				
Contracted services	812,137	-	-	812,137
Occupancy	18	8,310	-	8,328
Educational materials	30,956	4,222	-	35,178
Office expenses	16,611	19,408	-	36,019
Professional services	-	41,938	-	41,938
Supplies and other costs	9	2,526	957	3,492
Utilities and insurance	5,313	9,258	-	14,571
Community education and services	51,442	-	-	51,442
Administrative Services	6,052	7,074	-	13,126
Postage and printing	6,619	1,973	-	8,592
Travel	387	661	-	1,048
Dues and subscriptions	2,700	5,152	-	7,852
Training	6,860	-	-	6,860
	<u>939,104</u>	<u>100,522</u>	<u>957</u>	<u>1,040,583</u>
Total expenses before depreciation	1,095,709	282,438	957	1,379,104
Depreciation	-	2,194	-	2,194
Total expenses	<u>\$ 1,095,709</u>	<u>284,632</u>	<u>957</u>	<u>1,381,298</u>

See accompanying notes to financial statements.

PRENATAL AND INFANT HEALTH CARE
 COALITION OF BREVARD COUNTY, INC.
 d/b/a Healthy Start Coalition of Brevard County, Inc.

Statements of Cash Flows

Years ended June 30, 2021 and 2020

	2021	2020 (Restated)
Cash flows from operating activities:		
Change in net assets	\$ 132,425	52,520
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,194	2,194
Change in operating assets and liabilities:		
Contracts receivable	(23,159)	(33,469)
Prepaid expenses	(6,513)	2,178
Other assets	2,901	(17,955)
Accounts payable	1,740	61,003
Accrued expenses	(12,188)	18,961
Deferred revenue	60,590.00	(149,398)
Net cash provided by (used in) operating activities	157,990	(63,966)
Cash flows from investing activities:		
Purchase of property and equipment	-	(4,775)
Net cash used in investing activities	-	(4,775)
Net increase (decrease) in cash and cash equivalents	157,990	(68,741)
Cash and cash equivalents, beginning of year	1,203,264	1,272,005
Cash and cash equivalents, end of year	\$ 1,361,254	1,203,264
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ -	-

See accompanying notes to financial statements.

PRENATAL AND INFANT HEALTH CARE
COALITION OF BREVARD COUNTY, INC.
d/b/a Healthy Start Coalition of Brevard County, Inc.

Notes to Financial Statements

June 30, 2021 and 2020

(1) **Summary of Significant Accounting Policies**

(a) **General**

Prenatal and Infant Health Care Coalition of Brevard County, Inc., d/b/a Healthy Start Coalition of Brevard County, Inc.'s (the "Coalition") mission is to promote a system of care which enables healthy growth and normal development for moms and babies.

The Coalition was incorporated in October 1992 and is located in Rockledge, Florida. It receives the majority of its program support from contracts with the State of Florida, Department of Health (FDOH) and the Healthy Start MomCare Network (Network) with the balance derived from various county and local sources.

(b) **Basis of Presentation**

The accompanying financial statements are presented on the accrual basis and represent the financial position and results of operations of the Organization.

The Organization prepares its financial statements on an entity wide basis, focusing on the organization as a whole. Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations and, therefore, available for use in general operations.
- Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donor-imposed restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

PRENATAL AND INFANT HEALTH CARE
COALITION OF BREVARD COUNTY, INC.
d/b/a Healthy Start Coalition of Brevard County, Inc.

Notes to Financial Statements

June 30, 2021 and 2020

(1) Summary of Significant Accounting Policies - Continued

(c) Promises to Give

Contributions are recognized when the donor makes a promise to give to the Coalition that is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give are recorded as contributions receivable at net present value, using an appropriate discount rate.

(d) Donated Goods, Services and Facilities

During the years ended June 30, 2021 and 2020, the Coalition was the recipient of donated goods, services and facilities. Donated services are recognized if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise have been purchased if not provided by donation. However, a substantial number of non-recognized volunteers have donated significant amounts of time to the operations of the Coalition, which are not reflected in the accompanying financial statements.

(e) Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could vary from the estimates that were used.

(f) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Coalition considers all highly liquid investments and certificates of deposits purchased with a maturity of three months or less to be cash equivalents.

PRENATAL AND INFANT HEALTH CARE
COALITION OF BREVARD COUNTY, INC.
d/b/a Healthy Start Coalition of Brevard County, Inc.

Notes to Financial Statements

June 30, 2021 and 2020

(1) Summary of Significant Accounting Policies - Continued

(g) Contracts Receivable

Contracts receivable are recorded when invoices are issued and are presented in the statement of financial position net of allowance for doubtful accounts. Contracts receivable consisted of amounts due from various governmental agencies and other organizations.

The Coalition has a fixed-price (unit cost) contract with Healthy Start MomCare Network, Inc. (the "Network") to provide services. As a stipulation of this contract, the Network withholds 3% of the Coalition's total earnings per month for a potential Medicaid payback situation for up to a five-year period. As such, the Coalition reported total withholdings as of June 30, 2021 and 2020 of \$115,194 and \$118,095, respectively, as contracts receivable, long-term under the caption of other assets in the accompanying statements of financial position.

Management determines the adequacy of its allowance for doubtful accounts based on the age of the receivable, past collection experience, and the financial stability of the contracting agency. As such, the Coalition considered all contracts collectible therefore, an allowance for doubtful accounts was not considered necessary at June 30, 2021 and 2020.

(h) Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets, which are generally from five to seven years.

Through June 2014, all property and equipment reported by the Coalition was acquired by funds received from the State of Florida Department of Health (FDOH). In accordance with contract provisions, all such property and equipment is vested in the FDOH upon completion or termination of the contract and the Coalition is required to seek permission from the FDOH before disposing of such property and equipment.

Subsequent to June 2014, all property and equipment purchased by the Coalition was acquired through the utilization of net assets as directed by the Board of Directors. Therefore, such property and equipment is vested solely in the Coalition and subject to the jurisdiction of the Board of Directors.

PRENATAL AND INFANT HEALTH CARE
COALITION OF BREVARD COUNTY, INC.
d/b/a Healthy Start Coalition of Brevard County, Inc.

Notes to Financial Statements

June 30, 2021 and 2020

(1) **Summary of Significant Accounting Policies - Continued**

(i) **Revenue Recognition**

The Coalition receives most of its funding through contracts with the State of Florida Department of Health and the Network.

The State of Florida Department of Health (DOH) contract is a fixed-price, fixed-fee type contract. Revenue under this contract is recognized at a set monthly dollar amount provided that the Coalition submits documentation of its satisfactory completion of deliverables in accordance with the terms of the contract.

The Network contract is a fixed-price (unit cost) type contract. Revenue is recognized when the specified client services are provided on a unit-of-service basis up to a specified total contract value.

When contractually allowable, DOH, Network and similarly structured contract funds that have been received prior to year end, but have not yet been expended for the purposes specified, are reported as deferred revenue.

(j) **Contributions**

Contributions received, including unconditional promises to give, are recognized as revenue at fair value upon the receipt of the earlier of either (i) unconditional pledges or commitments or (ii) cash or other assets. Contributions are considered available for unrestricted use unless the donors restrict the use thereof, either on a temporary or permanent basis. Contributions to be received after one year are discounted at an interest rate commensurate with the risk involved. Bequests are recognized at fair value at the time the will is declared valid.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction and/or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions.

PRENATAL AND INFANT HEALTH CARE
COALITION OF BREVARD COUNTY, INC.
d/b/a Healthy Start Coalition of Brevard County, Inc.

Notes to Financial Statements

June 30, 2021 and 2020

(1) **Summary of Significant Accounting Policies - Continued**

(k) **Fundraising Activities**

Fundraising activities are undertaken with the purpose of inducing potential donors to contribute money, services, materials, facilities, other assets, or time to support the mission of the Coalition. The Coalition's financial statements are presented using functional classifications such that the costs of fundraising are separately identified and distinguished from program services and support activities.

(l) **Functional Allocation of Expenses**

The costs of providing Organization programs and administration of the Organization have been summarized on a functional basis as indicated in the accompanying statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation of expenses according to function, including payroll and occupancy costs which cannot be directly attributed to specific functions, is based on estimates by the Organization's management, of the time of employees involved and of percentages of assets utilized.

(m) **Income Taxes**

The Coalition is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. No provision has been made for income taxes for the years ended June 30, 2021 and 2020.

FASB ASC 740, *Accounting for Income Taxes*, prescribes a recognition threshold and measurement attribute of the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Management evaluates the Coalition's tax positions on an annual basis, both past and current. If management determines that a past or current tax position is uncertain then a tax liability is calculated to represent the increase in taxes anticipated upon examination. As of June 30, 2021, management has determined that all past and current tax positions were likely to be realizable and sustainable upon examination and that the calculation of a tax liability was not necessary.

PRENATAL AND INFANT HEALTH CARE
COALITION OF BREVARD COUNTY, INC.
d/b/a Healthy Start Coalition of Brevard County, Inc.

Notes to Financial Statements

June 30, 2021 and 2020

(1) Summary of Significant Accounting Policies - Continued

(m) Income Taxes - Continued

Tax years ended June 30, 2018 through 2020 remain subject to possible examination by the Internal Revenue Service.

(n) Compensated Absences

Employees of the Coalition earn paid vacation and paid sick days depending on the length of service and other factors. The Coalition's policy is to recognize those costs when earned and has accrued a liability for compensated absences of \$24,493 and \$24,191 at June 30, 2021 and 2020, respectively, which is included in accrued expenses in the accompanying statements of financial condition.

(o) Subsequent Events

In preparing these financial statements, the Coalition has evaluated subsequent events and transactions for potential recognition and disclosure through September 24, 2021, which is the date the financial statements were available to be issued.

(2) Liquidity and Availability

As of June 30, 2021, the Organization has approximately \$1,600,000 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table reflects the Organization's financial assets as of June 30, 2021 reduced by amounts that are not available to meet general expenditures, as applicable, within one year of the statement of financial position date.

Cash and cash equivalents	\$ 1,361,254
Contracts and grants receivable	<u>297,557</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,658,811</u>

PRENATAL AND INFANT HEALTH CARE
 COALITION OF BREVARD COUNTY, INC.
 d/b/a Healthy Start Coalition of Brevard County, Inc.

Notes to Financial Statements

June 30, 2021 and 2020

(3) Support Concentration

The Coalition derives substantially all of its revenue from contracts with the State of Florida Department of Health and the Network. Contracts receivable of \$297,557 and \$274,398 at June 30, 2021 and 2020, respectively, represent amounts due from these agencies.

(4) Property and Equipment

At June 30, 2021 and 2020, property and equipment consisted of the following:

	2021	2020
Land	\$ 16,410	16,410
Building	65,489	65,489
Furniture and equipment	18,813	18,813
	100,712	100,712
Less accumulated depreciation	22,730	20,536
	\$ 77,982	80,176

Depreciation expense charged to operations was \$2,194 and \$2,194 for the years ended June 30, 2021 and 2020, respectively.

(5) Other Assets

At June 30, 2021 and 2020, other assets consisted of the following:

	2021	2020
Contracts receivable, long-term	\$ 115,194	118,095
Deposits	223	223
	\$ 115,417	118,318

Contract receivables, long-term represents the amount withheld by the Network as of June 30, 2021 and 2020 of the Coalition's total monthly Network contract earnings for a potential Medicaid payback situation for up to a five-year period. This contract began July 1, 2014.

PRENATAL AND INFANT HEALTH CARE
 COALITION OF BREVARD COUNTY, INC.
 d/b/a Healthy Start Coalition of Brevard County, Inc.

Notes to Financial Statements

June 30, 2021 and 2020

(6) Deferred Revenue

Deferred revenue primarily represents funds received under grants from the Network or other funding sources totaling \$60,590 and \$0 at June 30, 2021 and 2020, respectively. These contract advances will be recognized when earned, as these funds will be used for reimbursable expenses incurred in future periods.

(7) Commitment

As of June 30, 2021 and 2020, the Coalition has the following commitment:

Operating Lease

The Coalition leases certain equipment under cancelable operating leases. The schedule of future minimum lease payments required under the Coalition's operating leases as of June 30, 2021 is as follows:

<u>Year ending June 30,</u>	
2022	\$ 1,071
2023	1,071
2024	1,071
2025	893

Rental expense for facilities and equipment, including those with terms less than one year, charged to operations was \$4,720 and \$8,328 for the years ended June 30, 2021 and 2020, respectively.

(8) Restatement

During the year ended June 30, 2021 management determined that the balance of accounts payable as of the beginning of the year was misstated. Accordingly, the effect of the adjustment on beginning net assets to correct the error described herein is as follows:

<u>Financial Statement Line Item</u>	<u>Net Income</u>	<u>Accounts Payable</u>	<u>Net Assets</u>
Balances at 6/30/20 as previously reported	\$ 1,987	\$ 237,368	\$ 1,403,831
Prior period adjustment	50,533	(50,533)	50,533
Balances at 6/30/20 as restated	<u>\$ 52,520</u>	<u>\$ 186,835</u>	<u>\$ 1,454,364</u>

PRENATAL AND INFANT HEALTH CARE
COALITION OF BREVARD COUNTY, INC.
d/b/a Healthy Start Coalition of Brevard County, Inc.

Notes to Financial Statements

June 30, 2021 and 2020

(9) Coronavirus Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that the effects of the pandemic will continue for some time. With respect to the Organization's operations, future potential impacts may include disruptions or restrictions on our employees' ability to work or on our community partners, agencies and governmental funding sources to continue to provide a consistent level of support. Changes to the operating environment may increase operating costs. Additional effects may include the ability of donors to continue making donations as a result of job loss, overall economic slowdown or other pandemic related issues. The ultimate outcome of these matters on the Organization cannot be determined at this time.

OTHER INFORMATION

SCHAFFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

Certified Public Accountants

Michael R. Schafer, CPA
Thomas R. Tschopp, CPA
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 312
Maitland, Florida 32751
(407) 839-3330

Joseph P. Mitchell, CPA
Stephen J. Sheridan, CPA
Daniel M. Hinson, CPA

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Prenatal and Infant Health Care Coalition
of Brevard County, Inc.
d/b/a Healthy Start Coalition of Brevard County, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Prenatal and Infant Health Care Coalition of Brevard County, Inc. d/b/a Healthy Start Coalition of Brevard County, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 24, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schaefer, Tschoff, Whitcomb, Mitchell & Shuilen, LLP

September 24, 2021
Maitland, Florida